

Highly Interesting.

By the arrival of the steamship *Empire City* we have the annexed letter from our correspondent at Panama, giving the latest news from Central America:

Costa Rican account of the fight between the Allies and Walker and Henningsen—Rivas besieged by the Allies—Walker strongly entrenched—The Allies repulsed—Deserters from Walker, &c., &c.

[Special Correspondence of the *Picayune*.]

PANAMA, April 20, 1857.

The Panama Railroad Company's U. S. mail steamship *Panama*, J. M. Dow commander, arrived here from ports in Central America on the evening of the 12th. She brought 30 passengers and a cargo valued at \$160,000, chiefly of the following articles: 727 bales indigo; 1400 large sack coffee; 61,000 lb Indian rubber; 5,600 hides, and 2,000 packages sugar.

The coffee crop would be greater in Costa Rica than last year; 84,000 quintals passed through the gates of St. Jose in the months of January and February; prices 8½ to 9 cents.

The dates from the city of Guatemala are to the 22d March; Cojutepeque, 20th; San Jose de Costa Rica, April 8th. The news, except from Nicaragua, is unimportant.

I will collate and translate for the *Picayune* all the facts of most interest which I can find in my files of Costa Rica papers, as well as give you what I can collect here from reliable sources.

The *Orizaba* brought a report to Panama that while Walker had gone to attack St. George, Chamorro attacked Rivas with 2,000 or 3,000 men—upon learning which, Walker, after getting into the Plaza of St. George, returned towards Rivas, and falling in with Chamorro's force, got him between his fire and that of Henningsen, and killed 300 of his men and wounded 327 more.

The *Weekly Album*, of March 28, gives the following account of this fight, giving the names of all the killed and wounded of the allies:

At early dawn on the 16th inst., Walker ventured out with all his disposable force, and taking up a position at the Church of Pueblo Nuevo, which is close to St. George, opened a heavy fire upon the latter place, which he kept up throughout the day, sending into the town close upon 500 round shot, besides grape and shells. His riflemen, during the same period, were actively engaged. This fierce attack was most nobly resisted. At 4 P. M., finding all his attempts fruitless, after losing more than 125 of his men in killed, he commenced a retreat, but here he had to encounter difficulties he had but little anticipated. Gen. Cañas, foreseeing the result, had, with much judgment, detached Gen. Jerez with a force to obstruct his passage, and wherever a position offered itself detachments of rifles were placed to harass and impede his retreat. Gen. Jerez had also occupied a position which gives command upon the four cross-roads. This position is within half a mile of Rivas, and from it the attack became so fierce that the bandit force broke, and was completely dispersed, saving themselves by hasty flight, as best they could. This, the close vicinity of Rivas and nightfall, favored. They, however, left many more killed and wounded; whilst Gen. Jerez remained in possession of the position he had so ably chosen; and here we understand that officer was reinforced on the following day, it being the intention of the commander-in-chief to move his entire force, and to invest Rivas.

We have to lament the loss on this occasion of 22 killed and 60 wounded; from this total we regret to notice that two of the officers and six of the men killed, and one officer and twenty of the wounded, belong to the Costa Rican Army. The remainder are from the ranks of the Allies. The filibuster loss on this occasion must have been very great, for, besides the dead left upon the ground, four omnibus loads (transport carriages) were drawn into Rivas.

Several deserters had gone over from Walker to the allied camp; amongst the number, three had taken part in the engagement of the 15th. They affirm on oath, that more than one hundred of the filibusters were slain on that occasion, and that the number of wounded was very great.

Walker is said to have left three pieces of cannon in the hands of his enemy.

Sanders lost, in trying to relieve Caycee, who, it will be recollected, was cut off from Rivas about March 3, twenty-eight found dead on the field, and a large number badly wounded. The eighty men brought down last by the Sierra Nevada were one-half of them killed and wounded. In the former affair the Allies lost one captain and two privates killed, and one ensign and eighteen privates wounded. In the affair with Caycee previously, the loss was some three or four wounded. In cutting off the eighty California recruits, none of the Allies were killed.

Gen. Juan J. Mora took the chief command of the allied forces on the 19th March and immediately gave orders for the close siege of Rivas. Walker, with 600 men, half of which were sick and wounded, had strongly fortified Rivas, and entrenched himself to resist the coming attack.

On the 23d March, at 9 A. M., Gen. Mora, with a column of 300 men, marched out of St. George, which he left guarded by 100 Leonese soldiers, whom he left under command of Col. Carvajal. In a little time he reached the Four Corners, about 600 yards from the principal plaza of Rivas, which he found occupied by Gen. Jerez, who had established there his headquarters. A fire was kept up all day against the city, with a 24-pounder, which Walker answered with a 24-pound gun, without damage.

On the 25d, at three-quarters past three A. M., Gens. Cañas and Chamorro invested at different points the fortifications of Rivas. Cañas kept up a fight for seven hours with Walker's forces, and after rashly penetrating into the Plaza, was forced to retreat, not being able to cross the mounds and strong entrenchments of Walker, protected as they were by riflemen and artillery.

On the 26th, at 4 in the morning, the division of Chamorro made a slight attack upon the entrenchments of Santa Ursula, without effect. It will require some days to reduce the strong fortifications of Rivas. The Allied loss in these different attacks in killed and wounded, amounts to about 100 men.

The last dates from Rivas I find in an extra of the *Cronica de Costa Rica* of April 8, in the shape of an official despatch from the commander-in-chief of the Allies. I will translate it in full:

HEADQUARTERS, FOUR CORNERS, }
April 4, 1857. }

I have lent your Excellency informed of my operations since I took the chief command of the army. I have but little to add, but nevertheless you will find it interesting:

The siege of Rivas is more complete than could have been hoped with the small force at my disposal. The good selection of the posts, and the service of my scouts, parties, have contributed much towards the success of the siege. A twenty-four pounder that I have placed has done much damage to the city and dispersed the enemy.

Day after to-morrow at latest, I shall place in battery at the fort of Pueblo, occupied by Gen. Natchez, another gun of equal calibre, brought by my orders from the Fort of San Carlos, which will cross its fire with that at my head quarters, and which will completely destroy or dislodge the filibusters. Walker and his forces are reduced to food on mule meat and eggs, seasoned with sugar in default of salt, and of this they make a most miserable ration. Those pushed by hunger, who go out to hunt for plantains, are driven in by my troops without their having effected their object. Every night I send in little guerrilla parties from each one of my posts, who advance to the entrenchments of the Plaza, thus obliging the filibusters to be constantly on the alert at night, so that they have no time to rest. This course, united to the certainty they feel they are completely hemmed in, produces a desertion among them of about five each day, to my head quarters. I calculate that triple that number daily take the road to Costa Rica. The filibusters have arrived at such extreme pusillanimity that one of their deserters of yesterday returned from my camp to his old quarters in the Plaza (which are the same that Gen. Salazar occupied when we were last year at Rivas) distributed some of the proclamations of your Excellency, and taking a rifle, returned freely to my camp.

Since yesterday fourteen deserters from the enemy have come in to my camp.

I am assured that a division of Guatemalians will be soon in Granada. I shall send the steamer *San Carlos* for them to-morrow.

Every probability is in favor of our speedy triumph. I am your Excellency's obedient servant,

JUAN J. MORA.

To the President.

Private letters have been received from Roalojo at San Jose, giving assurance that a Guatemalan division would be in Rivas on the 1st of April.

The *Album Semanal* says that Gen. Josey has taken possession of San Juan del Sur.

From the 8th to the 27th March there arrived at Liberia, in Costa Rica, eighty-six deserters from Walker. They declare that the balls of the cannon of the allies cross the entrenchments, and begin to cause considerable damage. They say that Walker has 600 men very strongly fortified in Rivas. A great portion of these 600 were sick, or wounded, or rendered incapable of duty from the *niguas*, (a small insect that gets into the flesh, generally in the feet, deposits its eggs, and finally causes the loss of the member, if not taken out). They had been many days nearly half starved. Among the deserters who had arrived at Liberia was Walker's Quartermaster General. If this is Col. Caycee, who occupied that office

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while I was in Rivas, Walker has lost one of his best rough fighters. Cayco served under Chamorro before Walker came to the country, but quit him when the latter arrived. He was probably afraid Chamorro would shoot him if taken prisoner.

There were 123 deserters from Walker at Punta Arenas, de Costa Rica and San Jose. The Panama did not take any away, as the government, having only promised them egress from the country, via the Lake of Nicaragua, was unwilling to pay the extra expense of the Central American steamer and railroad.

Salvador has decreed a forced loan of \$20,000 per month, during the continuance of the war in Nicaragua.

Capt. Antonio, an Italian, of the Guatemalan warschooner *Asuncion*, was shot off San Jose de Guatemala on the 16th March, having been detected in a conspiracy to deliver up his vessel to Walker. A paper called the *Telegrafo Setentrional*, has been started among the ruins of Granada. Its motto is the placard Gen. Honnington posted up after he burned the city:

"*Aqui fue Granada*"— "Here stood Granada."

Gen. Xatulich, previous to the last arrival of recruits for Walker from California, wrote a very temperate letter to Com'r Davis, of the U. S. sloop-of-war *St. Mary's*, asking him to interfere for the enforcement of the United States neutrality laws. I had the following answer from Com'r Davis, in Spanish, in the *Boletin Oficial*, of Costa Rica. As it was probably first written in English, then translated into Spanish, and now brought back again into English, it may not be literally correct in every paragraph:

[Translation.]

ON BOARD THE U. S. SLOOP-OF-WAR *ST. MARY'S*,
SAN JUAN DEL SUR, March 3, 1857.

To His Excellency Don Florencio Xatulich, Commander-in-Chief of the Division of Costa Rica, Salvador and Nicaragua:

Sir—Your note of 24th February only came to hand on the 1st instant, which will account for any delay that may appear from the date of my reply.

I have given to the various subjects of your communication the attentive consideration which the respect for your high position and a knowledge of my duty entitles it.

Your Excellency asks me to interfere by force of arms against the disembarkation in this port of men who you suppose will arrive in the next steamer, to unite themselves with the party of Gen. Walker; and you communicate to me the decree of the Government of Costa Rica and its allies, suspending the transit between San Juan del Sur and San Juan del Norte, declaring those ports to be in a state of blockade.

In answer to your request I have to say, that the President of the United States in his last annual message to the Senate and House of Representatives distinctly recognizes the existence of a civil war in Nicaragua, not caring to receive either of the diplomatic representatives of the two belligerent parties, or to decide with his imperfect information which is the actual Government. Since that time no change has taken place in the affairs of Nicaragua which can in any manner authorize my separation from the line of conduct strictly imposed upon me by the clear and direct language used by the head of my Government.

During a civil war in a foreign nation, the existence of which war is acknowledged by the Government of the United States, the two parties are regarded as two independent belligerent nations, and the Government of the United States (according to my impressions) has no right to interfere in the hostile acts of either party when they confine these acts strictly to legitimate war upon each other.

My position in relation to the two parties engaged in the civil war which exists in this State, is that of a neutral; and it is evidently the duty of a neutral to lend no aid to one party which he is not equally prompt to render the other.

How precious is this neutral position, and how sacred are its obligations, the Republics of South America had ample opportunity to know and appreciate during the civil wars which resulted in their separation from Spain, in the system adopted by the United States and Great Britain.

Besides, permit me to observe, it is an error to suppose that because the United States, in virtue of a law of Congress, forbids the recruiting of men for foreign service, within the territory and jurisdiction of the United States, that the commanders of her ships-of-war necessarily are bound to the same duties, and exercise equal faculties on the waters within the jurisdiction of foreign governments.

And it will be as apparent to you as it is to myself that, if my government had intended that this ship should take an active part, as you propose, in the questions that disturb the peace of this country, it would not have omitted to furnish me the necessary instructions.

Having referred to the last annual message of the President, permit me to call your especial attention to the great interest it expresses in the protection of the persons and properties of the citizens of the United States in Nicaragua. Its words are directed with especial reference to the deranged state of your affairs; and in default of what may be styled a responsible government, I shall use my best efforts to protect those of my fellow-citizens who have not compromised themselves in the war. The assurances you give that the property of the Transit Company shall receive no prejudice from the forces under your command, receive my cordial thanks; but this matter is of such importance, and weighs upon my mind to such a degree, in consequence of recent events, in which ignorant citizens of the United States were the sufferers, that I cannot permit any opportunity to pass without recurring to them.

In answer to the last paragraph of your note, I have the honor to say, in respect to the suspension of the communication between the two oceans, by the Lake of Nicaragua, that, unfortunately, it is not a matter included in my instructions.

But the notification of the blockade of this port has excited my sincere surprise. Your Excellency knows that when such a notification is not supported by the presence of a competent force in or near the port, there cannot be a legal blockade.

In this case it is the more strange, as the waters of this port are not only not in possession of your force, but are actually under the domination of the opposite party, who have blockaded it with the schooner *Granada*. But before entering into a useless discussion (as I hope it will prove to be,) upon blockades so clearly defined by international laws (the rights of nations), and which I presume are much better understood by your Excellency than by me, permit me to ask to what point you claim the exercise of the rights of belligerents under the laws of blockade, and to what point you limit the operations of neutral vessels.

I pray your Excellency to answer these important questions at your earliest opportunity.

I have the honor to be, very respectfully, your obedient servant,

CHAS. C. DAVIS,

Commander of the U. S. sloop-of-war *St. Mary's*.

In view of the preceding information, it is not at all probable that Walker now occupies Rivas. Indeed, he must have been captured, destroyed, or escaped, with the remainder of his little force, or this. It is possible he may have cut his way to San Juan del Sur, and got on board the steamer *Orizaba*, which was in that port about April 25th, or he may have been taken on board the *St. Mary's*. If taken by the allies, he will no doubt be executed. They will not forgive him the executions of Corral, Mayoza and Salazar. If they can forget that they have been despoiled by him of their two estates, and had their proud city of Granada reduced to ashes. But if San Juan del Sur be actually occupied by the allies, I do not see how he can escape out of the country, even if he reaches the port.

F. W. R.